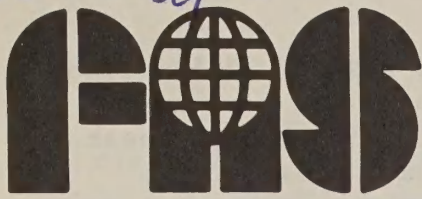


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Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 32-80

WASHINGTON, Dec. 24--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

In INDIA, action to slow the drawdown of government wheat stocks has succeeded in reducing monthly offtake to about 650,000 tons. Currently the government-held wheat stocks are projected to fall to about 3 million tons by April 1. Stock levels have steadily eroded since reaching 11.1 million tons, on April 1, 1977.

India's 1980 wheat crop (harvested April/May) was a disappointing 32 million tons, down 3 million tons from the previous year's record outturn. The government, however, was still able to procure 5.85 million tons of wheat, compared with 8 million tons the preceding year. Even with a sharply reduced open market supply of wheat and other basic food grains, the level of government-owned wheat released domestically during 1980/81 is expected to increase only marginally from the 8-million-ton level of 1979/80.

Allocations of wheat to flour millers have been reduced in recent months. Millers have called for the resumption of imports; however, similar requests in the past have had no effect on changing the government position. In addition, recent farmer unrest over returns for crops also could raise difficulties for the government if imports of wheat are permitted.

The EUROPEAN COMMUNITY (EC) has released a document which is meant to serve as the basis for future Commission proposals regarding the Common Agricultural Policy (CAP), as well as to stimulate broader discussion of the issue within the EC. The publication, A New Start for the Common Agricultural Policy, outlines possible ways to reform the CAP and reduce farm surpluses and budgetary outlays, without jeopardizing the basic principles of Community preference, common prices and common financing. Three areas of overhaul are suggested. These include: (1) extending the principle of co-responsibility, or producer participation; (2) a new approach to the EC's external agricultural trade policy, taking greater account of the world food situation; and (3) readjustment of structural policy. The Commissioners will submit the proposal early in 1981 for consideration by the EC Council.

In JAPAN, the Rice Price Deliberation Council has approved a recent Food Agency proposal to raise the average resale prices of rice and wheat by 3.15 and 5.6 percent, respectively, effective April 1. The new price for 1980 crop rice will be about \$1.596 per ton, while the price for wheat (virtually all of which is imported) will be about \$350 per ton, depending on type and quality.

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MARY FRANCES CHUGG, Editor. Tel: (202) 447-3370, 447-2381. Weather and Crop Summary prepared by the Joint Agricultural Weather Facility of USDA and NOAA. Tel: (202) 447-8760, 447-7917. Additional copies may be obtained from the FAS Information Services Staff, Room 5918-South, Washington, D.C. 20250. Tel: 447-7937.

In FRANCE, the 1980 wheat crop is estimated at a record high of 23.4 million tons, 12 percent above the previous 1978 high of 20.9 million tons. The government buying agency, ONIC, is estimated to have purchased about 2.8 million tons of wheat as of mid-December, compared with 375,000 tons this time last year. Most of the wheat will be stored in commercial elevators, owing to insufficient government storage facilities. This situation has stimulated ONIC to push for a program to finance expanded storage capacity for intervention grain. ONIC is planning to export about 2 million tons of wheat in three tenders and maintain about 1 million tons in carryover.

HORTICULTURAL AND TROPICAL PRODUCTS

In AUSTRALIA, a new minimum fresh canning fruit prices for the 1980/81 processing season have been announced by the Sugar Concession Committee of the Australian Fruit Industry. Fruit purchased for processing at less than the minimum price set by the committee is not eligible for a sugar content rebate of \$A15 per ton.

Minimum prices per ton for the 1980/81 season for delivery at grower's railway siding or district cannery are as follows: (As of Dec. 16, \$A1 equaled 0.8578 U.S. cents.)

Peaches Clingstone, clear center	\$A225
Peaches Clingstone, other	220
Apricots	290
Pears, Bartlett (WBC)	160
Plums, D'Agen	210
Plums, other	260

The new prices will apply during fiscal 1980/81 (July-June) and represent a substantial increase relative to last season. In general, however, growers maintain the increases are somewhat less than the rate of inflation, and that production costs have been rising faster than the average rate of inflation. As a result, larger quantities of certain fruits, particularly Williams pears, are likely to be placed on the domestic fresh market or offered for export.

TURKEY increased the export premiums or tax for filberts on Dec. 6 due to a surge in international prices. These premiums are deposited in a special Price Stabilization Fund which is used to improve production and marketing of a wide range of agricultural and nonagricultural commodities. The old and new premium rates are as follows in Turkish lire per kilogram. (Approximate exchange rate as of Sept. 1, 1980: 80 Turkish lira equaled US\$1.)

	<u>Old rate</u>	<u>New rate</u>
Filberts:		
Shelled, natural	109	117
Unshelled	54	58.5
Picola, damaged	80	86
Processed, undamaged	80	86
Processed, damaged	57	61

-more-

In SPAIN a little over 100,000 tons, or about 5 percent of the standing citrus crop is estimated by the U.S. agricultural attache in Madrid to have been lost because of freezing weather in late November early December. Losses include about 75,000 tons of Clementines, Satsumas and Navelina oranges, plus 25,000 tons of Primofiori lemons. Reportedly, Seville, Valencia and Murcia were the most severely affected provinces.

INDIA's Jute Corporation reportedly has procured 604,000 bales (180 kilograms each) of raw jute from the country's interior markets, during the first three months of the 1980/81 season (July-June). This compares with 372,000 bales in the corresponding period last season. Total anticipated procurement for the current season is around 800,000 bales. In addition, India reportedly has booked export orders of over 100,000 bales (180 kg. each) of raw jute to be delivered by February 1981.

The INTERNATIONAL COFFEE ORGANIZATION (ICO) has announced an additional 1.4-million-bag cut in the coffee export quota for 1980/81 (Oct.-Sept.), reducing the quota from 55.5 to 54.1 million bags. On Nov. 18, the ICO twenty-day moving average of the composite price indicator fell below \$1.20 to \$1.1952, leading to the first 1.4-million-bag cut. The second cut was triggered when the moving average price indicator remained below \$1.20 for twenty consecutive market days on Dec. 17. The price indicator for the day was \$1.1789.

COTTON

CHINA is now expected to produce 11 million bales of cotton in 1980/81, about 900,000 bales above last year and 500,000 bales above the previous estimate. Higher than expected yields in the north as evidenced by greater procurements, are the basis for the increase. Details on production in the high-producing areas of Hubei and Jiangsu in central China are not yet available. The increased production, along with high world cotton prices, will likely result in reduced imports this season.

The SOVIET UNION is experiencing a record cotton crop, well above any previous production level. Cotton output in 1980/81 is now expected to equal about 14.2 million bales, 8 percent above last season. With the harvest almost completed, Uzbekistan's procurements are about 435,000 tons of seed cotton (623,000 bales) above last year's total of nearly 5.8 million tons. The USSR is expected to increase exports in 1980/81, due to the large crop; however, offerings of Soviet cotton thus far have been limited.

U.S. CUSTOMS reports COTTON IMPORTS of 324 bales (480 lb net) through Dec. 17 under the Special Limited Import Quota for Upland Cotton. The quota proclaimed by President Carter under the 1977 Food and Agriculture Act is in effect Nov. 28, 1980, to Feb. 25, 1981, and covers about 500,000 bales. Buyers were reminded that cotton imported under the special quota is subject to normal custom duties.

INTERNATIONAL WEATHER AND CROP SUMMARY, Dec. 15-21

EUROPE-- Precipitation generally increased over the region, as did mean temperatures for the week. Temperatures averaged near normal in the west to somewhat above in the east, with no extreme cold reported. Conditions became sufficiently warm for renewed winter grain growth only in the Iberian Peninsula, southern France, and southern Italy. Precipitation in the east was about normal, while heavier-than-normal amounts occurred in many western countries. The moisture fell mostly as rain, maintaining generally favorable wet conditions in most countries. Very little snow cover persisted in agricultural areas.

WESTERN USSR--Precipitation decreased somewhat, but remained above normal over much of the region. Some extensive southern portions of the winter grain belt received only light amounts. Substantial snowmelt occurred as temperatures ranged much above normal, with readings averaging above freezing in many areas. The danger of frost-heaving damage persisted, especially in parts of the Ukraine and North Caucasus where the heaviest precipitation occurred. Furthermore, snow-free wheat fields lay exposed to the elements, should the cold return before more snow arrives.

EASTERN ASIA--All agricultural areas in China remained essentially without precipitation, with light amounts falling only in the hills to the southwest. Near-normal temperatures kept winter grains dormant over nearly all of the North China Plain. Some very cold conditions were reported just to the north of Beijing, but winter grains probably escaped without damage. In South Korea, more moderate temperatures prevailed, although averages stayed just below normal. Only very light precipitation occurred, with winter barley in a dormant condition.

SOUTH ASIA--No rain fell over most of India. Totals on the southern tip dipped below normal, with rainfall activity becoming more limited. A westerly weather system dropped unexpected rainfall in western India, but the moisture did not reach parched, unirrigated winter grain fields. Average temperatures in the winter grain belt held near normal, but daytime highs reached into the low 30's (C), maintaining high moisture needs for the plants. However, even though winter grains in unirrigated fields may be stressed, water supplies for irrigated fields remain adequate.

AUSTRALIA--Light to moderate showers in southeastern parts of the winter grain belt only caused minor delays in the harvest. Average temperatures remained near normal, with daytime highs in the upper 20's (C) keeping conditions sufficiently dry. Rainfall in the north increased again as tropical rain systems moved into the region. Sugarcane in northeastern coastal areas of Queensland received some of the heaviest rainfall so far this season as moisture arrived a bit late this year.

NORTHWESTERN AFRICA--Heavy rain fell across much of northern Algeria and Tunisia. The moisture was most beneficial in northwestern Algeria, where conditions had been too dry for winter grains. To the east, the rains maintained good soil moisture in most areas, but some excessive totals probably caused some damage to winter grains, at least on a localized scale. Winter grain areas in northern Morocco received beneficial light rainfall--the first in four weeks. Crops in this area should be in good condition, but drier conditions further south on lighter soils may be hurting grain crop prospects.

SOUTH AFRICA--Most corn-growing areas received above-normal rainfall, maintaining good soil moisture. However, important producing areas in the southwestern Transvaal and northwestern Orange Free State have been somewhat dry since late November. Temperatures remained near normal, and soil moisture there is probably still adequate for corn growth, but plant stress will increase if more rain does not fall soon.

SOUTH AMERICA--Abundant rainfall continued in Rio Grande do Sul State of Brazil. Soybean sowing is nearly complete, but some localized areas may have to be replanted due to heavy rains. For the most part, however, conditions remain very favorable for the plants. Sowing is complete in areas to the north. Heavy rainfall totals were recorded in some eastern parts of the belt during the week, but since the rains were spread over several days, no damage from excessive water is expected in the major growing areas. Southwestern parts of Parana had become somewhat dry and relatively high temperatures caused some stress of soybeans early in the week. Showers later in the week ameliorated conditions over most of this important growing area. In Argentina, only light rain fell in the principal crop areas, but conditions remained favorable for agriculture. Soil moisture in corn and soybean growing areas was good due to abundant rainfall in recent weeks. Temperatures held below normal, with no detrimental high readings occurring. Winter grain harvesting continued in full swing in southern Buenos Aires without interruption.

MEXICO--Generally mild, dry weather prevailed over most major agricultural areas, allowing an uninterrupted fall harvest. However, a few showers dotted the east coast. Rainfall was too light to improve soil moisture, except around Valles where up to 12 mm helped in some of the drier citrus orchards. West coast vegetable districts were seasonably sunny and warm with temperatures averaging around 21 degrees C. Tomatoes, cucumbers, and other vegetables should continue to develop well.

Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain, soybeans and tapioca, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Dec. 23, 1980		Change from previous week	A year ago
	Dollars per metric ton	Dollars per bu.	Cents per bu.	Dollars per metric ton
Wheat:				
Canadian No. 1 CWRS-12.5%..	1/	1/	1/	1/
U.S. No. 2 DNS/NS: 14%.....	224.00 7/	6.10 7/	-12	211.50
U.S. No. 2 DHW/HW:13.5%.....	237.00	6.45	- 3	209.00
U.S. No. 2 S.R.W.....	225.00	6.12	0	195.00
U.S. No. 3 H.A.D.....	273.00 7/	7.43 7/	- 3	230.00
Canadian No. 1 A: Durum....	1/	1/	1/	261.00
Feedgrains:				
U.S. No. 3 Yellow Corn.....	177.00	4.50	- 2	140.00
U.S. No. 2 Sorghum 2/.....	189.50	4.81	+ 1	148.00
Feed Barley 3/.....	1/	1/	1/	160.50
Soybeans:				
U.S. No. 2 Yellow.....	329.25	8.96	+29	274.75
Argentine 4/.....	1/	1/	1/	1/
U.S. 44% Soybean Meal (M.T.)	287.00	--	- 4.00 5/	245.00
EC Import Levies				
Wheat 6/.....	57.20	1.56	-12	110.65
Barley.....	40.35	0.89	+ 3	97.30
Corn.....	75.55	1.92	- 4	127.35
Sorghum.....	56.05	1.42	- 9	113.55

1/ Not available.

2/ Optional delivery: U.S. or Argentine Granifero Sorghum.

3/ Optional delivery: U.S. or Canadian Feed Barley

4/ Optional delivery: Brazil Yellow

5/ Dollars per metric ton.

6/ Durum has a special levy.

7/ April - May delivery.

NOTE: Basis January delivery.

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